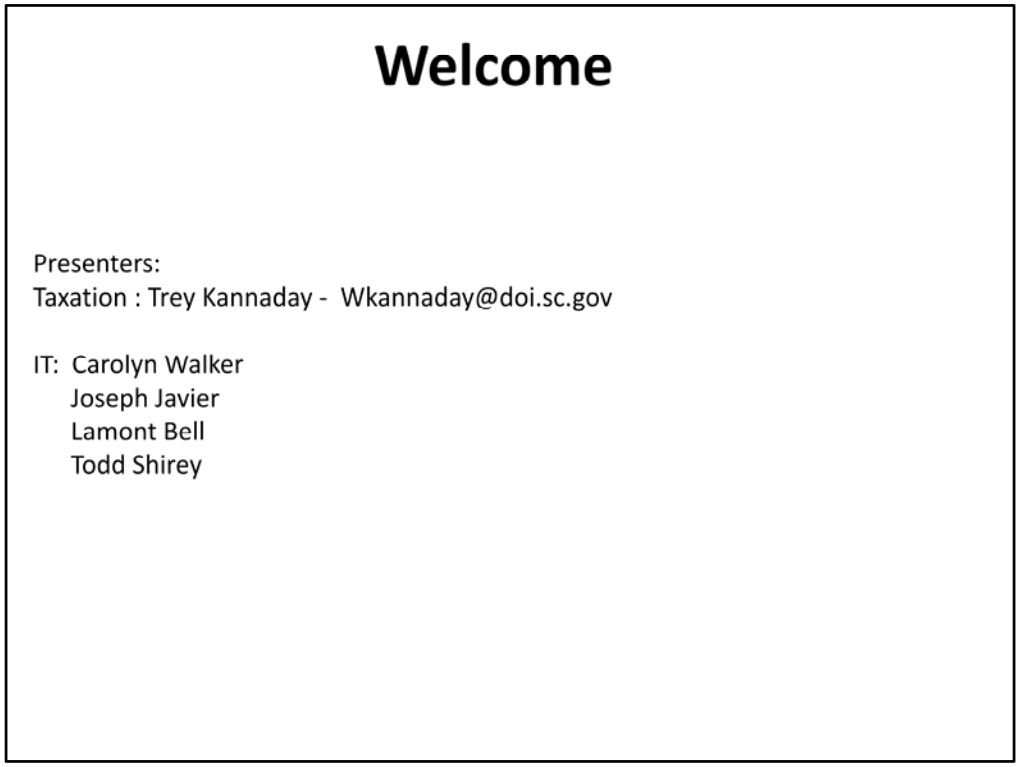
South Carolina Department of Insurance

Surplus Lines Broker Online Premium Tax Demonstration

South Carolina Department of Insurance



Good Morning,

I am Carolyn Walker member of the IRM software application team. I Todd Shirey, Lamont Bell and Joseph Javier will be presenting and answering questions on the new online surplus lines premium tax Application today. We hope this webinar will be both informative and beneficial.

The Online Surplus Lines premium Tax Application will allow resident and non-resident surplus lines brokers to submit policy information to the South Carolina Department of Insurance and reconcile and pay quarterly premium taxes online

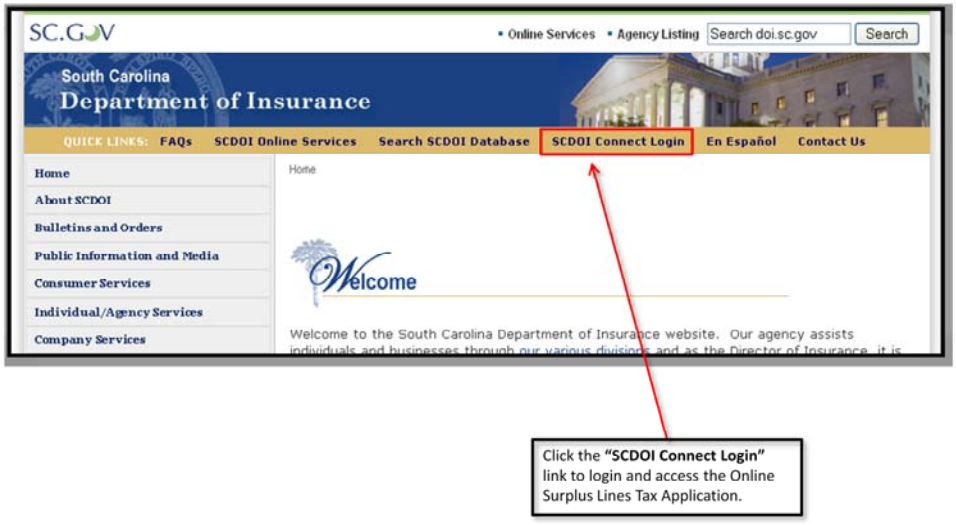
Allowing licensed surplus lines brokers to submit their policy information online and make the associated tax payments via the internet will make the process more efficient for the broker community and the Department. This system will provide a comprehensive repository of information to facilitate fulfilling requests for specific information about Surplus Lines business.

We will not be able to cover all the features of the online application. However, we will provide a recorded demo three weeks prior to the deployment of the new system that will cover all the features and functionalities of the system. Today's webinar will concentrate mainly on submissions and endorsements, the batch uploads, the quarterly tax returns and submission cancellations. Let's begin.

Agenda

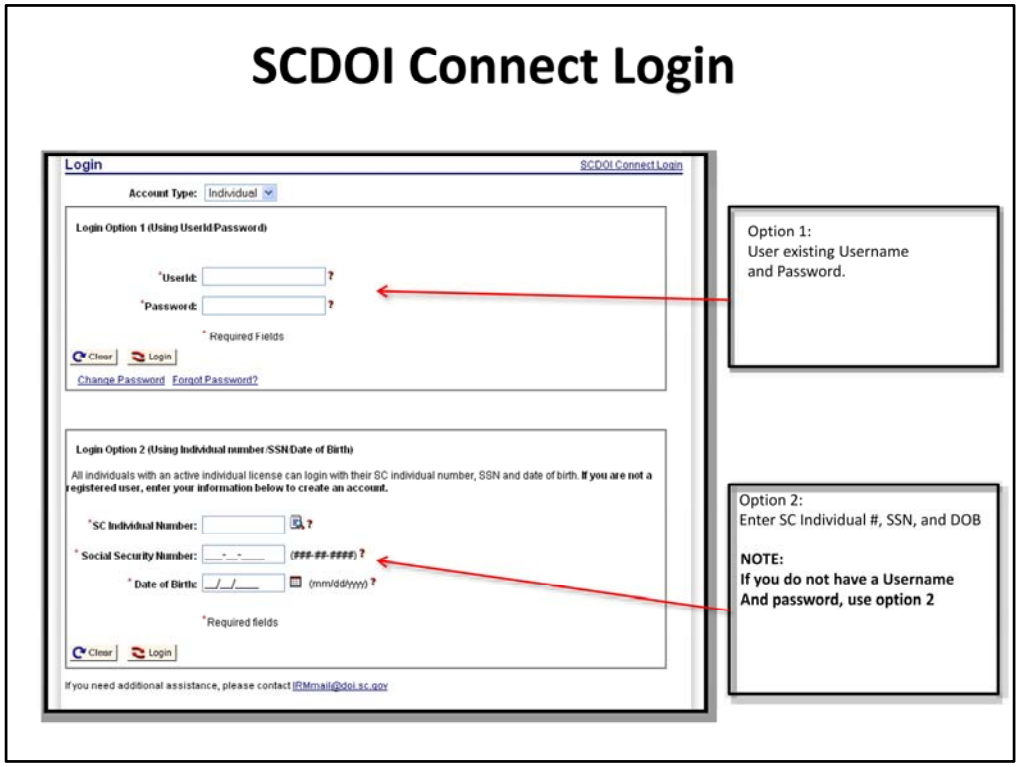
1. Welcome to the Online Surplus Lines Tax Application – Trey Kannaday
2. Overview of Online Surplus Lines Tax Application – Carolyn Walker
    - SC Dept of Insurance Home Screen
    - SCDOI Connect Login and Account Setup
        - Secret Questions
        - Userid and Password
    - Member Welcome Screen
    - Terms of Use Page
    - Broker Tax Dash Board
        - Manually Add Submission
        - Manually Add Endorsement
        - Batch Upload
        - View/Edit/Cancel Submission
        - Process/Pay Quarterly Taxes
        - Renew Submission
        - Submission Summary
    - Manually Add Submission
    - Manually Add Endorsement
    - Questions on Submissions and Endorsements
    - Bulk Upload
    - Questions on Bulk Uploads
    - View/Edit/Cancel Submissions
    - Questions on View/Edit/Cancel Submissions
    - Process Pay Quarterly Tax
    - Payment
3. Presentation wrap up

SC Dept of Insurance Home Screen
www.doi.sc.gov



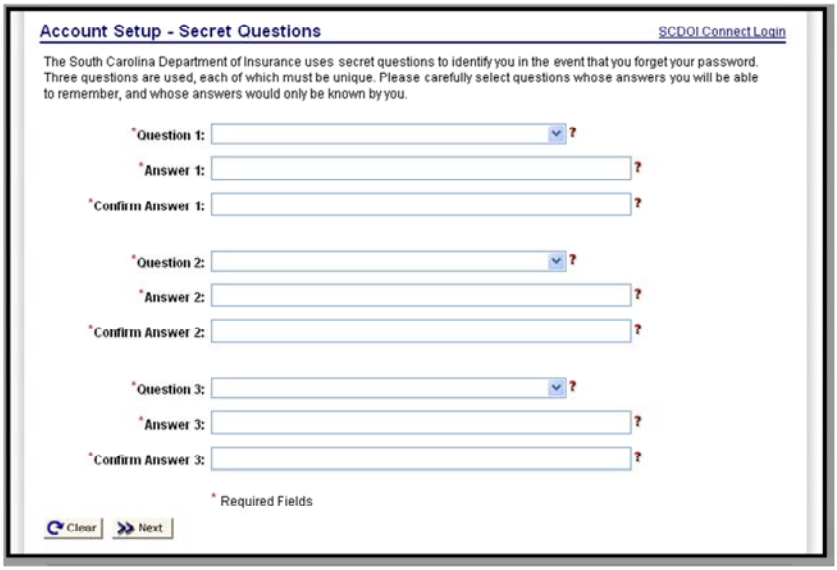
Click the **"SCDOI Connect Login"** link to login and access the Online Surplus Lines Tax Application.

The page that you have before you is the SCDOI homepage.
At the top of the homepage click SCDOI Connect Login.

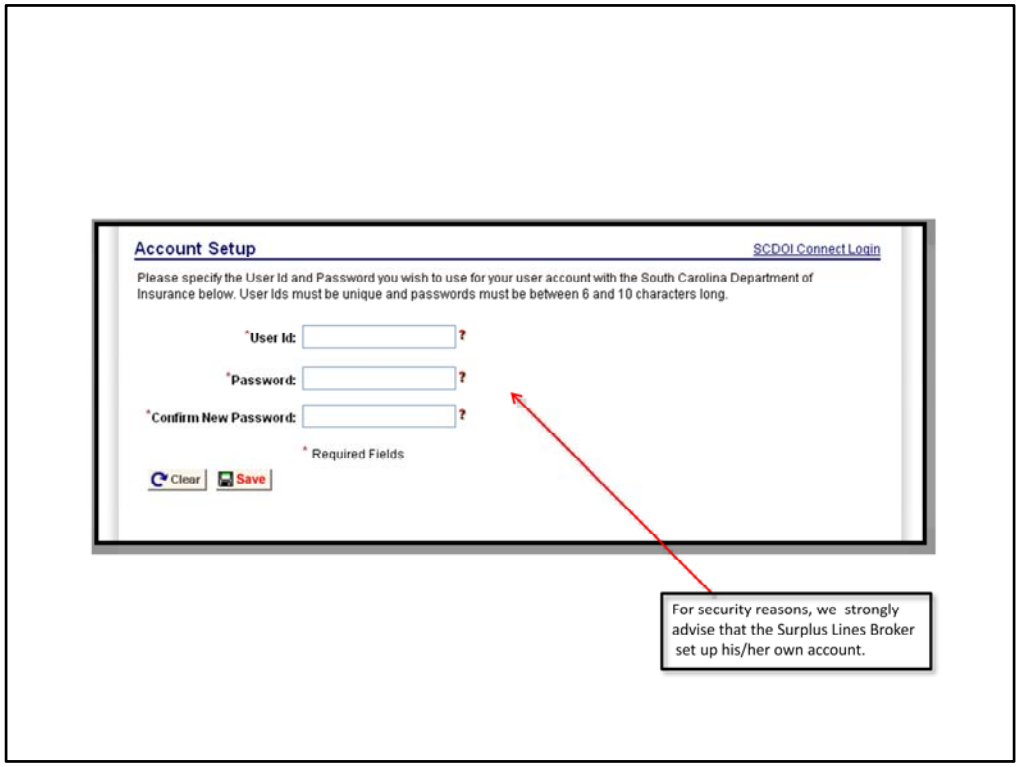


Two login options are listed on this page. Registered brokers may elect to choose either option 1 or Option 2. Licensed individuals desiring access to the Connect web application must select option 2 to register a user account before logging in for the first time.

Before creating an account the user must provide his or her SC assigned individual number, social security number, and date of birth.

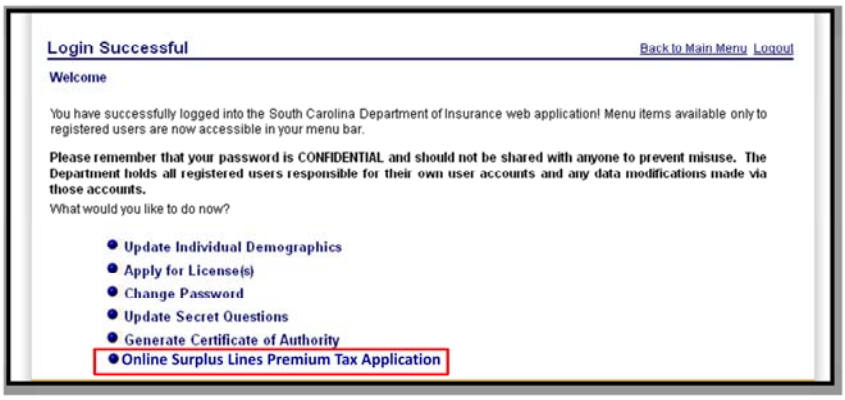


You will be prompted to set up three secret questions



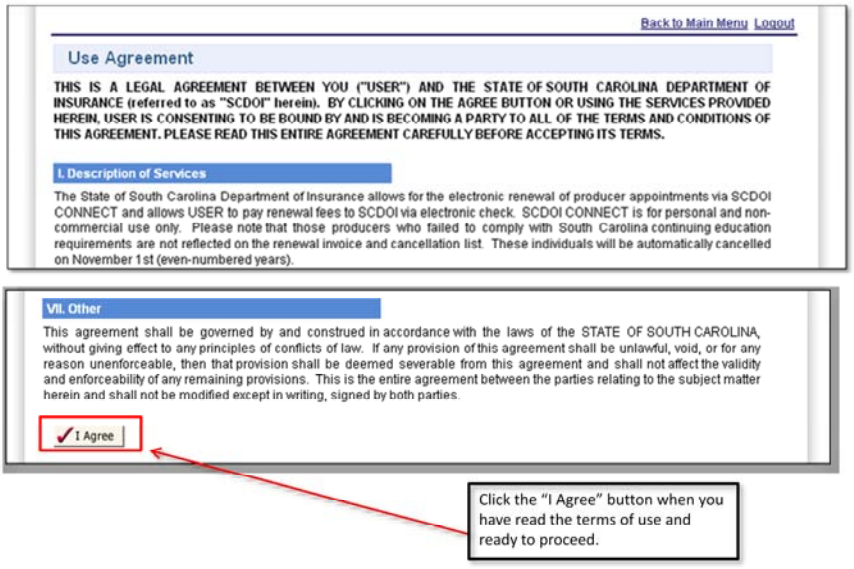
You will be prompted to create a user id and password Passwords must be 6-10 characters long. For security and privacy purposes we strongly advise the Surplus Lines Broker to create his/her own account.

Passwords will be encrypted before being stored in the database.



Once the user has successfully login , the Welcome page displays. Here, click the Online Surplus Lines Premium Tax Application link.

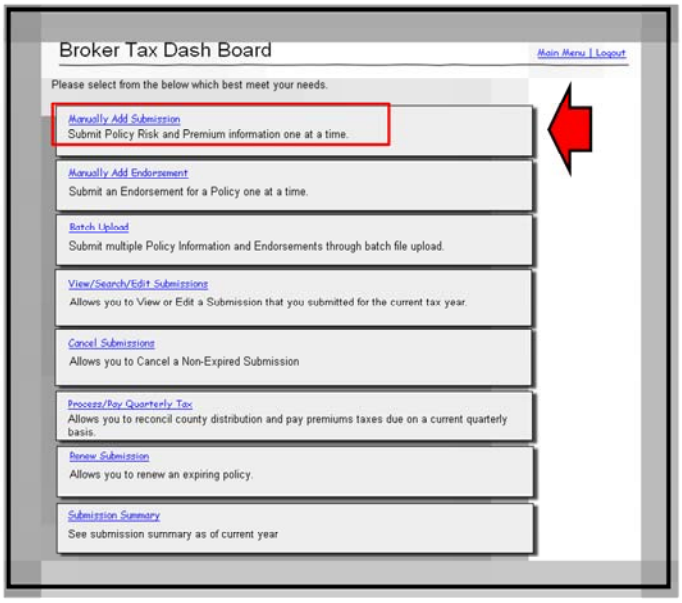
Terms of Use Page



South Carolina Department of Insurance

Please read the Terms of Use before using SCDOI Connect. By using the SCDOI services you agree to be bound by these Terms Of USE and the Private Policy. After reading the terms and instructions and select the ‘I Agree button at the bottom of the page.

Broker Tax Dash Board



You will be navigated to the Broker Tax dashboard. The new system offers the following features:

Manually add submission

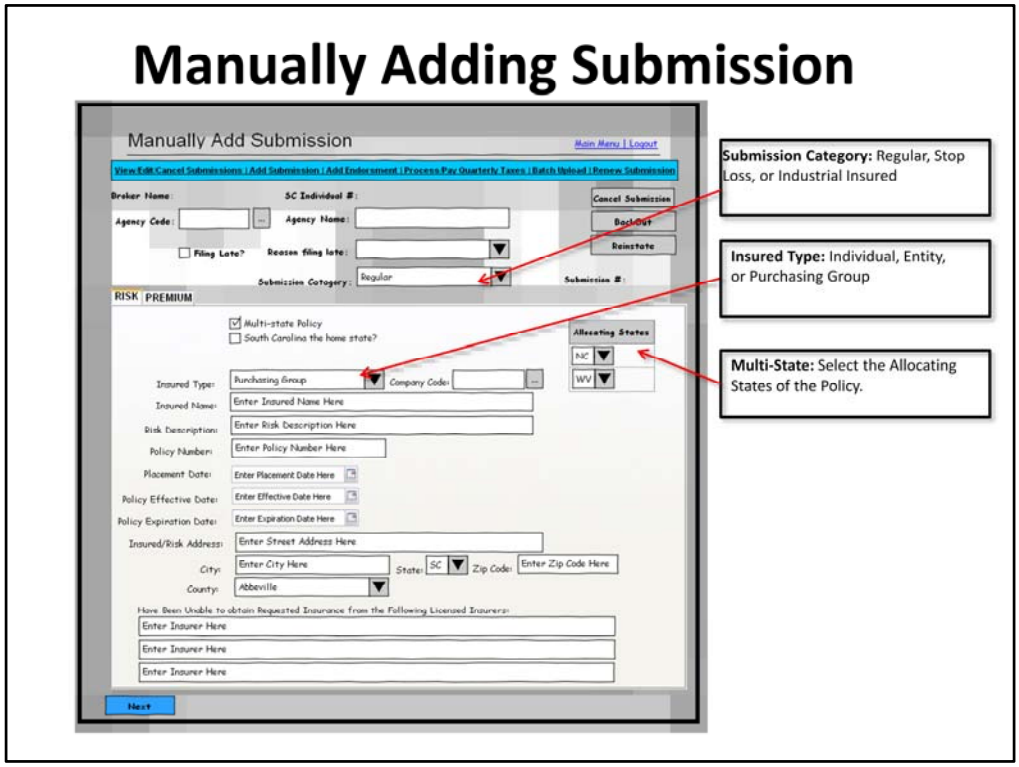
Manually Add endorsement

Batch Upload

View/edit/ cancel Submissions

Process/pay quarterly taxes

Renew submission



Submission Screen

Risk
This screen allows user to enter data for a new submission. When creating a new submission, the tax year will default to the current tax year. The broker's name and SC individual number will be populated from the database. A user may elect to enter his/her associated agency code. However, the agency code field will have a pick list button so that the user so may search for an active agency by agency name. The agency name will be retrieved based on the code entered into the agency code field or it will be loaded by the pick list search. If the agency you represent is not licensed by the department, enter the agency name. Again this field is an optional entry.

Submission category is a drop down list that will allow the user to select the appropriate submission category. Current submission categories for the online system are Regular, Stop Loss and Industrial Insured.

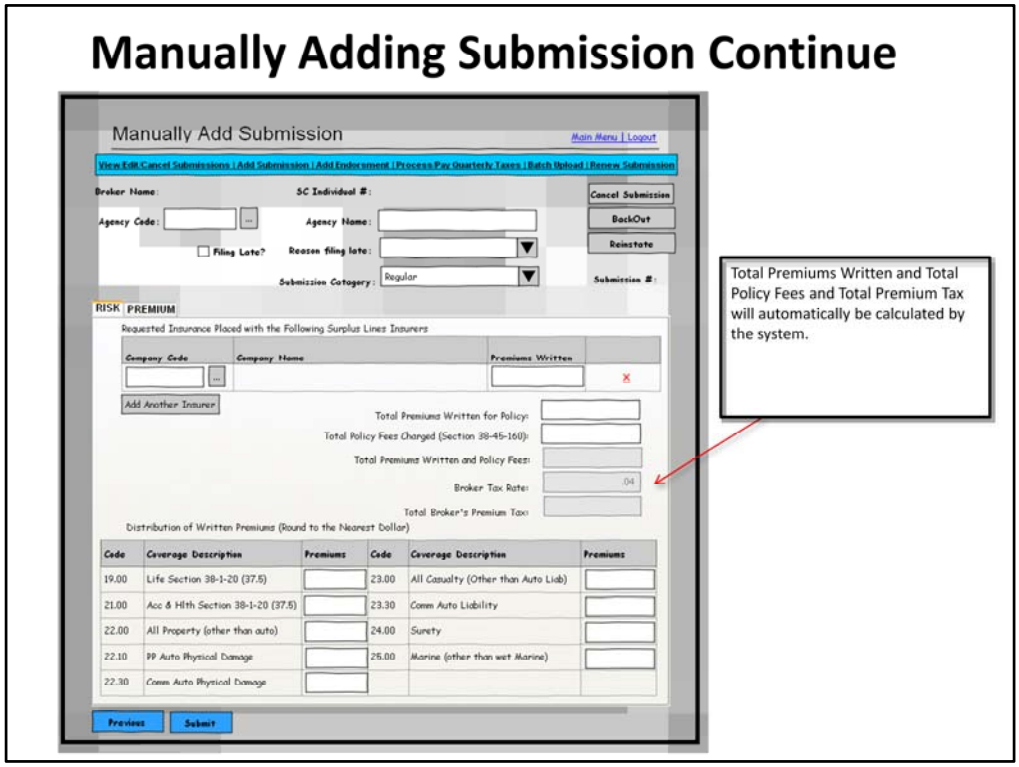
If the submission is multi-state policy, check the multi-state policy checkbox. You will then be able to select and add allocating states. If home state is SC, check the South Carolina home state checkbox.
If the insured is a Purchasing Group the SC assigned company code must be entered. Valid insured types are Individual, Entity and Purchasing Group.

User must enter the remaining risk information for South Carolina.

All required fields will be denoted by an asterisk.

The user is required to enter the name of only one company that declined to insure the risk. A maximum of three companies may be entered if the user elects to list additional companies. However, these are not required entries.

After entering risk information click 'Next'..



Premiums

This screen is used to record the Surplus Lines Insurers and Distributions of Premiums. In order to add a new Surplus lines Insurer the user may select to enter the company code. When the user tabs to the premiums written column the company name will be retrieved from the database and loaded in the company name field. If the company code entered does not match a surplus lines insurer in the database an error message will display and the focus will be returned to the company code field.

Users will have the option to select the Picklist button next to the company code field and search for the company by name. In order to add additional Surplus Lines Insurers the user will click the' Add Another Insurer Button'. Currently, the maximum number of Surplus Line insurers that can be listed is five.

If you erroneously enter a company code, you may the delete surplus lines insurer by selecting the Delete button to your right. The surplus lines company code, name and premiums amounts will be cleared.

The "Totals Premiums Written For Policy' and "Total Policy Fees Charged by the Broker' at the bottom of the Surplus Lines Insurers list will be entered by the user. If the Total Premiums Written' by the broker is not calculated correctly, the total will be flagged. All totals entered by the user must be rounded to the nearest dollar.

Total Premiums Written and Policy fees and Total Premium Tax are calculated by the system.
User will be able to tab through the premium fields and enter values for the appropriate coverages.

The surplus lines insurer total premiums written for policy must equal the total premiums in the distribution of written premiums. If these totals do not match an error will be posted. Users will have the opportunity to correct all errors.

Once the premium information is entered you may either click 'Previous' to review or change risk information or click submit to save the risk and premium information to the database. Once the information is saved ,the screen will display the submission number.

At this time you may add another submission, or click Main menu at the top of the screen to return the Welcome screen, select another feature on the navigation task board, or logout of the application..

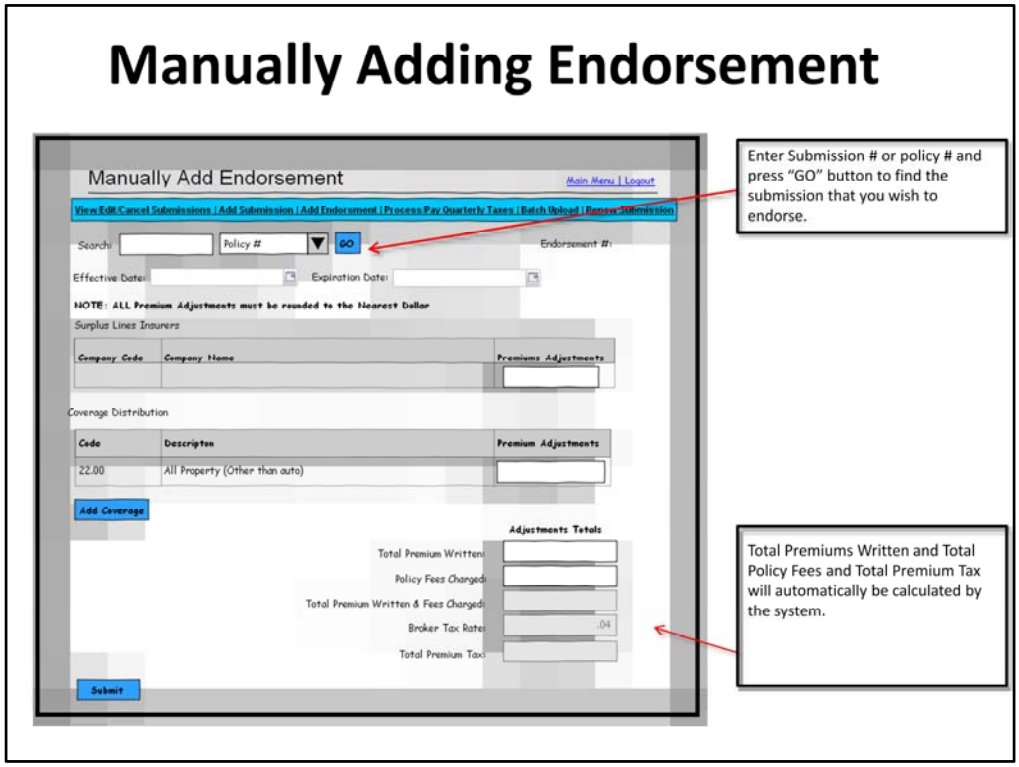
Requirements for a Successful Submission

1. Surplus Lines Broker must have an active license. However, if the broker license is Inactive or Lapse and the policy placement date is prior to the license cancellation or license lapse date, the submission is accepted.
2. Surplus Line Insurer's Certificate of Approval must be active. If the surplus lines insurer's Certificate of Approval is cancelled and the policy effective date is prior to the certification of approval cancellation date, the submission is accepted.
3. Surplus Lines Insurers must be authorized to write business for lines of coverage which the policy is written.
4. All flagged errors must be corrected.
5. If the insured type is a Purchasing Group, the group must have an active certificate of registration and be registered/approved by SCDOI. The broker must be designated by the purchasing group. The surplus lines insurers must designated by the purchasing group.

Read what's in the slide.

Broker Tax Dash Board

Choose manually add endorsement when you want to endorse a submission.



Manually Add Endorsement

To create a new endorsement the user will enter the submission number or policy number and press the GO button. An endorsement may amend the following information:

Endorsement effective date

Endorsement expiration date: the endorsement expiration date cannot be greater than the policy expiration date

Surplus lines premium adjustments

Coverage description premium adjustments

Policy fees adjustments.

All premium adjustments must be rounded to the nearest dollar.

If the user enters negative premiums on the endorsement and the negative premiums take the surplus lines premiums to zero on the submission, this will in effect cancel the submission.

Total Surplus lines premium adjustments cannot be greater than total coverage description premium adjustments.
If errors are posted, the user will have the opportunity to correct all errors.

Adjustment Totals:

At the bottom of the screen the user will enter 'Total Premium Written and Policy Fees charged. Policy fees charged is not a required field.

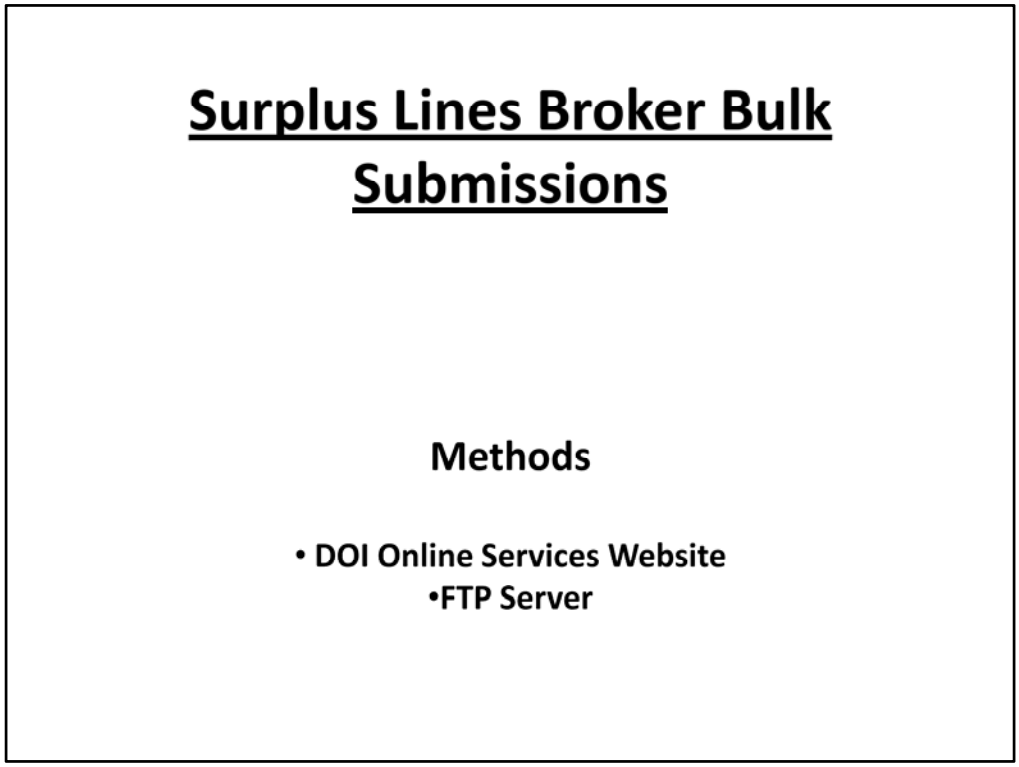
The remaining total fields will be calculated by the system. All required fields will be marked by asterisks.

Requirements for a Successful Endorsement

1. Surplus Lines Broker must have an active license. However, if the broker license is Inactive or Lapse and the endorsement effective date is prior to the license cancellation or license lapse date, the endorsement is accepted.
2. Surplus Line Insurer's Certificate of Approval must be active. If the surplus lines insurer's Certificate of Approval is cancelled and the endorsement effective date is prior to the certification of approval cancellation date, the endorsement is accepted.

Read the slides

Questions on Submissions and Endorsements?

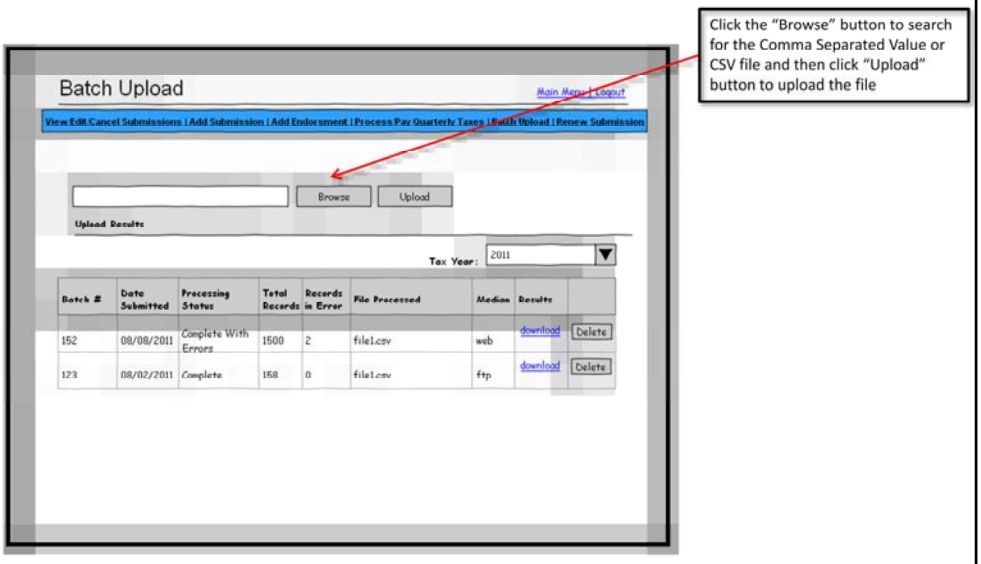


The South Carolina Department of Insurance has developed two methods by which brokers or their 3rd party providers can upload submissions – Web Browser and Direct connection to a secure FTP.

The format for the file will be the same for both methods and will be discussed later in the presentation.

Broker Tax Dash Board

Batch Upload From Web



Click “Browse” to find the Comma Separated File you wish to upload.

Click “Upload” to begin the upload process.

Once the upload is processed by our server the results will appear in the grid. This process may take several minutes. If you choose you may wait on this screen or return later to check the results and download the response file.

Batch Upload Through FTP

Setup

- Send Email to FTPREQUEST@doi.sc.gov

Your IT department may to choose to develop a fully automated system but if not, you may choose any ftp client software that supports an **FTPS connection** (FTP over implicit TSL/SSL). If you don't have an FTP client application you may want to consider FileZilla. It can be downloaded at http://filezilla-project.org

Connecting

- Scdiftp.doi.sc.gov – Production
- Scditestftp.doi.sc.gov – Test
- Port: 220
- Server Type: FTPS
- Transfer Mode: Active

Here is the information you will need to use when connecting to the FTP server

File Layout

- CSV Format (no headers)
- One submission per line

Example:
1,1,1,Smith Agency,0,1,19150,My back porch,1z2334frg343…

All files submitted, whether through FTP or through our web site must be in CSV format with no header row. This means that all data elements on each line must be separated from each other by a comma.